



Rt Hon Mark Drakeford AM  
First Minister of Wales  
Welsh Government  
5th Floor  
Tŷ Hywel  
Cardiff Bay  
CF99 1NA

19<sup>th</sup> March 2020

Dear Rt Hon Mark Drakeford AM,

In light of the national crisis created by the outbreak of the novel coronavirus (strand Covid-19) and the wider impact this is having on our economy, we are writing to update you on the specific challenges faced by the arts and cultural sector in Wales and to outline areas where support from the Welsh Government will be vital to its short and long-term survival.

We welcome your commitment to doing whatever it takes to protect businesses in this country, including the additional grant of £25,000 that you announced today for businesses within retail, leisure and hospitality, and your acknowledgement of the unique concerns of these industries. We request urgent engagement with your team on the execution of the necessary measures to ensure the arts and cultural sector has the tools it needs to survive in this rapidly changing climate. Working alongside the Arts Council of Wales, the Welsh Government Department for International Relations and the Welsh Language, and the Welsh Government Department for Housing and Local Government would be a beneficial and effective way forward. Equally involving the Deputy Director for Culture and Sport with whom we have positive dialogue.

There is the opportunity for Wales to use its devolved powers, and to support its art and cultural sector. We have been consulting CEOs and managers across the sector and there are several specific measures that can help to protect the sector and its workforce. These should include:

The measures proposed by the sector bodies are:

- Comprehensive salary payment support, as instituted in other European countries.
- Increase the £25,000 grant for businesses – arts and cultural organisations can have up to £500k in monthly payroll costs hence £25,000 will not be enough to cover expenses for the expected long-term closure.
- Expand the grant scheme for businesses to include medium-and larger sized arts and cultural organisations – the current rate value of £51,000 is not realistic for larger venues.
- Increase the £51,000 rateable value cap for business rate relief – the current rate value is not realistic for larger venues.
- Initiate a Welsh Government-led public information campaign to:
  - I. Encourage the public to not ask for refunds, but instead make their ticket a donation to the venues who will need all the financial support they can get
  - II. Encourage public spending when arts and cultural venues re-open
- A period of non-payment of VAT and payroll taxes and a period of phased reintroduction on business.
- Rental reduction support, to reduce/cease rental payments.
- Tailored financial support for self-employed arts and cultural professionals.

In addition, we require clarification on the processes for the following:

- Clarity on the Welsh Government's position on public facility opening – so that venues can plan accordingly and maintain revenue where appropriate.
- Clarity on Business Interruption Insurance and the grounds for pay-outs.
- Clarity on the terms of the new grant scheme and business rate reliefs for businesses – will grants be accessible to charities, social interest companies and social enterprises, and will both measures of support be accessible to those operating within the arts and cultural sector
- Clarity on non-payment of VAT, National Insurance, Pension and Payroll contributions during the period of disruption.
- Clarity on tailored financial support for self-employed arts and culture professionals.

We ask this because the unique position and value of the arts and cultural sector – and its workforce – to our nation's wellbeing and economy must not be underestimated. The arts and culture have a profound impact on people's mental and physical health. Our theatres, arts centres, libraries, museums, historic buildings, and other cultural venue operators, independent makers and artists contribute hugely to making Wales a more equal, inclusive and sustainable nation. Creative activities improve our quality of life and increase the sense of community by bringing people together. We cannot allow these venues and creative programming which are at the heart of our communities to disappear.

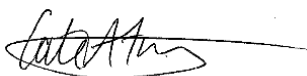
It must be recognised that the arts and cultural sector is largely made up of charities, community interest companies, social enterprises, and freelancers. These charitable organisations and individual creatives carry no sizeable reserves and, even when operating in normal circumstances, do not make large profits. All profit that is made is re-invested back into delivering and providing quality, inclusive arts and cultural programming.

These are worrying times, and as the impact of this crisis takes hold of the nation, the effect on the arts and culture sector is already greatly incurred. Following the Prime Minister's announcements and advice to the public to avoid theatres, advance ticket sales and income at arts venues across the United Kingdom dropped by 92%. With venues closing following reduced footfall and staff availability, the uncertainty is very hard to manage. We also know from previous experience that when a site closes, for example for refurbishment, that income levels will not get back to a normal level upon re-opening. It will take at least 6 months in the best cases, but realistically, and considering programming time, it can take up to two years or even longer to recover. The rate of recovery will also depend on the length of the closure, for which there is currently not yet an end in sight.

Our cultural venues and sector workforce are at risk of ceasing to operate without the necessary financial commitments to support arts and culture. When operators are forced to close, and freelancers' contracts are cancelled, it will be difficult for this vital infrastructure to be restored once the crisis is over – and a lengthy restoration process would have dire consequences for our society.

We want to work with you and your team to fully understand the implications of these decisions and will continue to liaise with leaders across the sector to provide the latest insight and impact from our members' organisations.

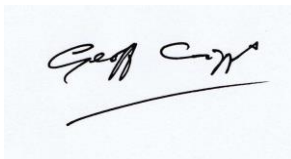
Yours Sincerely,



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